

# STATUTORY COMPLIANCE QUESTIONNAIRE

STATUTE		YES	NO	N/A	COMMENTS
<b>NRS 645B.0243</b>	Has the licensee employed or proposed to employ a mortgage agent when it was known that the agent::				
	1. Had been convicted of, or entered a plea of nolo contendere to a felony relating to the practice of mortgage agents; or any crime involving fraud, misrepresentation or moral turpitude; or				Y=Violation
	2. Had a financial services license or registration suspended or revoked within the immediately preceding 10 years.				Y=Violation
<b>NRS 645B.0245</b>	1. If the licensee is a natural person, is there reasonable cause to believe that the licensee would be subject to control by a relative who would be ineligible to be licensed pursuant to this chapter?				Y=Violation
	2. If the licensee is a partnership, corporation or incorporate association:				
	a) Has any member of the partnership or any office or director of the corporation or unincorporated association committed any act or omission that would be the cause for refusing a license to a natural person; or				Y=Violation
	b) Is there a reasonable cause to believe any member of the partnership or any office or director of the corporation of unincorporated association would be subject to control by a relative who would be ineligible to be licensed pursuant to this chapter?				Y=Violation
<b>NRS 645B.025</b>	1. Is the license posted in a conspicuous place in the licensed location?				N=Violation
	2. Has the licensee transferred or assigned the license to another person without the written approval of the commissioner?				Y=Violation
<b>NRS 645B.035</b>	Does the licensee engage in activities not authorized by this chapter?				Y=Violation
<b>NRS 645B.075</b>	1. Has the mortgage broker paid the assessment levied pursuant to NRS 658.055?				N=Violation
	2. Did the mortgage broker and mortgage agent(s) cooperate fully with the examiner?				N=Violation
<b>NRS 645B.080</b>	1. Does the mortgage broker maintain at all times, at each location where they conduct business in this state:				
	a) Complete and suitable records of all mortgage transactions made at that location?				N=Violation
	b) All original books, papers, and data, or copies thereof, clearly reflecting the financial condition of the business?				N=Violation
	2. Has the licensee submitted accurate monthly activity reports indicating:				
	a) Volume of loans arranged during the month?				N=Violation
	b) Has the licensee submitted by the 15th day of the month following the month for which the report is made?				N=Violation
<b>NRS 645B.085</b>	1. Has the mortgage broker submitted financial statements not later than 90 days after the last day of the mortgage broker's fiscal year; and that:				N=Violation
	a) Are dated no earlier that the last day of the fiscal year?				N=Violation
	b) The financial statement was prepared by an independent public accountant licensed by this state, and whose license has not been revoked or suspended?				N=Violation
	2. If the financial statements were not submitted within 90 days , was an extension requested and granted before the due date?				N=Violation
	3. a) If the mortgage broker maintains investor trust accounts, are the accounts audited?				N=Violation
	b) Has the accountant submitted a copy of the audit to the Commissioner?				N=Violation

# STATUTORY COMPLIANCE QUESTIONNAIRE

<b>NRS 645B.095</b>	1. If the licensee effected a change on control whereby the power to direct the policy and management of the licensee has changed either through a) the transfer of any voting stock whereby the ability to control changes; or b) a transfer of at least 25% of outstanding voting stock, was the commissioner's approval obtained prior to the change of control?				N=Violation
	2. If the licensee issued or transferred 5% or more of the outstanding voting stock of the mortgage broker:				
	a) Was the Commissioner notified?				N=Violation
	b) Did the issuance/transfer constitute a change of control requiring Commissioner approval?				N=Violation
	3. Did the person/entity who acquired the stock resulting in a change of control apply to the Commissioner for approval of the transfer; or did the mortgage broker submit a written request to waive the investigation pursuant to Subsection 3 above?				N=Violation
<b>NRS 645B.115</b>	If the mortgage broker maintains trust accounts as described in NRS 645B.175, does he meet the minimum net worth requirements?				N=Violation
<b>NRS 645B.165</b>	1. Are any advance fees not paid to a third party placed in escrow pending completion of the loan?				N=Violation
	2. a) Upon completion of the loan or commitment, is the advance fee released to the mortgage broker or other person to whom the money is due?				N=Violation
	b) If the loan is not consummated or a commitment obtained, is the money returned to the person who made the payment?				N=Violation
	3. If the licensee does not place advance fees in an escrow account, does the licensee require the prospective borrowers to sign a written agreement which specifies the estimated costs by item and the estimated aggregate cost, and which recites that money advances for costs will not be refunded?				N=Violation
	4. If an itemized service is not performed, is the estimated cost refunded?				N=Violation
	5. Are cost estimates reasonable?				N=Violation
<b>NRS 645B.170</b>	1. If the licensee collects money for payment of taxes and insurance premiums, is the money deposited in a separate bank account in an insured depository institution designated as an "Impound Trust Account" or other appropriate name?				N=Violation
	2. Has the licensee accurately segregated impound funds from general company funds?				N=Violation
	3. Has the licensee, upon reasonable notice, accounted to any debtor for the money that debtor has paid to the broker for taxes or insurance?				N=Violation
	4. Has the licensee, upon reasonable notice, accounted to the Commissioner for all money in the licensee's impound account?				N=Violation
	5. Does the mortgage broker:				
	a) Require contributions to an impound account in an amount reasonably necessary to pay the obligations as they become due?				N=Violation
	b) Within 30 days of completion of the annual review of the impound account, notify the debtor:				
	(1) Of the amount by which contributions exceed the amount reasonably necessary to pay the obligations as they become due?				N=Violation
	(2) That the debtor may specify the disposition of the excess money within 20 days after receipt of the notice?				N=Violation
	6. Has the licensee made payments from the impound account in a manner that caused the borrower's homeowners insurance to be cancelled or the property taxes to become delinquent?				Y=Violation

# STATUTORY COMPLIANCE QUESTIONAIRRE

NRS 645B.175	1. Is all money received by the licensee and his agents from investors to acquire ownership of or a beneficial interest in a loan secured by a lien on real property:				
	a) deposited in:				
	(1) An insured depository financial institution				N=Violation
	(2) An escrow account controlled by an independent third party?				N=Violation
	b) Kept separate from:				
	(1) Money belonging to the broker in an account appropriately named to indicate that the money does not belong to the broker?				N=Violation
	(2) Money received as full or partial payment of a loan?				N=Violation
	2. Has the amount held in trust pursuant to subsection 1 been released:				
	a) Upon completion of the loan or transfer of the ownership or beneficial interest to the debtor or his designee?				N=Violation
	b) To each investor who furnished the money held in trust if the loan or transfer was not consummated?				N=Violation
	3. Was the amount held in trust released to the borrower or his designee:				
	a) Equal to the total loan amount less fees and service charges?				N=Violation
	b) After the licensee has provided written instructions to a title agent or insurer requiring that a lender's title insurance policy or appropriate endorsement insuring each investor be issued for the real property securing the loan?				N=Violation
	4. Is all money paid to the licensee and his agents in full or partial payment of the loan				
	a) deposited in:				
	(1) An insured depository financial institution?				N=Violation
	(2) Or, approved third party escrow account?				N=Violation
	b) Is the money kept separate from:				
	(1) Money belonging to the licensee and is the account properly named?				N=Violation
	(2) Money received to acquire beneficial interest in a lien?				N=Violation
	5. Except as otherwise provided in this section, has the amount in trust:				
	a) Minus any fees or service charges, been released to each investor who owns a beneficial interest in the note, in the exact proportion to the beneficial interest?				N=Violation
	b) Been released to any investor without being released to every other investor who owns a beneficial interest in the loan?				Y=Violation
	6. A mortgage broker or agent shall not act as an attorney in fact or the agent of an investor with respect to the giving of a written waiver pursuant to this subsection. If the investor has waived in writing the right to receive one or more payments or portions thereof, does the investor have the right to:				
	a) Receive the waived payment or payments, or portions therefore, at a later date?				N=Violation
	b) Receive all other payments in full.				N=Violation
	7. Upon reasonable notice has the licensee:				
	a) Accounted to any investor or debtor who has paid money that is required to be deposited in a trust account?				N=Violation
	b) Accounted to the Commissioner for all money received from each investor or debtor that is required to be deposited in a trust account?				N=Violation

# STATUTORY COMPLIANCE QUESTIONNAIRE

<b>NRS 645B.175 Cont</b>	8. Was the money received by the licensee from a person not associated with the licensee to fund a loan held in trust for more than 45 days before an escrow account was opened in connection with the loan.				Y=Violation
	i. If, within the 45 day period, the loan was not consummated, was the money returned with 24 hours?				N=Violation
	ii. If the money was returned as described above, was it reinvested with the licensee within 15 days?				Y=Violation
	9. Has the licensee released any money to any person who:				
	a) Does not have a contractual or legal right to received the money?				Y=Violation
	b) Has the contractual right to receive the money if the licensee reasonably knows that the person's right to receive the money violates any provision of this chapter?				Y=Violation
<b>NRS 645B.180</b>	1. Does the broker or his agents understand that the money in an impound account is not subject to execution or attachment on any claim against the broker or his agents?				N=Violation
	2. Has the licensee kept any money in the Investor or Impound Trust Accounts other than money paid by investors or borrowers?				Y=Violation
<b>NRS 645B.185</b>	1. a) Has the licensee accepted money from a private investor without having the private investor sign and date a disclosure form that complies with the provisions of this statute?				Y=Violation
	b) Has the licensee given the private investor the original disclosure form that has been signed and dated?				N=Violation
	2. a) Has the licensee required that the private investor sign and date a separate disclosure form for each loan in which the private investor invests his money?				N=Violation
	b) Has the licensee or mortgage agent acted as the attorney in fact or the agent of a private investor with respect to signing and dating any disclosure form?				Y=Violation
	3. a) Has the licensee accepted money from a private investor without first giving the private investor a written form by which the private investor may request that the licensee authorize the Commissioner to release the licensee's financial statement to the private investor?				Y=Violation
	b) Was such form given to the private investor for each loan?				N=Violation
	c) If the private investor did request the financial statement, did the licensee accept money from the private investor prior to the licensee receiving a notice from the Commissioner that the financial statement has been released to the private investor?				Y=Violation
	4. Has the private investor or licensee agreed to alter or waive the provisions of this statute?				Y=Violation
	5. Has the licensee retained a copy of each signed and dated disclosure form?				N=Violation
	6. Do the disclosure forms contain the statements required by this statute?				N=Violation
<b>NRS 645B.186</b>	7. Has the licensee disclosed to private investors any other information or statements required by the Commissioner				N=Violation
	1. If the licensee, or a relative of the licensee, is licensed as, conducting business as, or holds a controlling interest or position in a construction control, an escrow agency or agent, a title agent, a title insurer or escrow officer, did the licensee disclose his status, connection to, or relationship to each investor?				N=Violation
	2. If such relationship exists, has the licensee required that the private investor transact business with or use the services of, any of the above that the licensee has a controlling interest in?				Y=Violation

# STATUTORY COMPLIANCE QUESTIONNAIRE

<b>NRS 645B.187</b>	1. Do the licensee's advertisements guarantee that private investors will be repaid the principal amount of money invested or will be paid a specific rate of return or a specified rate of interest on the money invested?				Y=Violation
	2. If the licensee pays premium interest or offer to pay premium interest:				N=Violation
	a) Is the premium interest paid from the assets or income of the mortgage broker? b) Has any advertisement of the licensee made any explicit or implicit statement representation or promise that they will pay premium interest?				Y=Violation
<b>NRS 645B.189</b>	1. Does the licensee include in each advertisement that is designed, intended or reasonably likely to solicit money from private investors:				
	a) A statement that money invested through a mortgage broker is not guaranteed to earn any interest or return and is not insured?				N=Violation
	b) Any other statements of disclosure required by the Commissioner?				N=Violation
	2. Have all advertisements been submitted to the Commissioner for approval?				N=Violation
<b>NRS 645B.240</b>	1. Does the licensee charge a late fee or other penalty if a payment is delivered:				
	a) On or before 5 p.m. of the day this it is due, if the office of the licensee is open until 5 p.m. that day?				Y=Violation
	b) The next day that the office is open until 5 p.m.				Y=Violation
<b>NRS 645B.250</b>	Except pursuant to a contract for the collection of servicing of a GNMA, FHLMC or FNMA loan, has the licensee advanced payments to an investor on a defaulted payment?				Y=Violation
<b>NRS 645B.260</b>	1. If the licensee accepts payments from debtors and maintains a collection trust account, and on the last day of any month, the debtor has failed to make two or more consecutive payments in accordance with the terms of the loan, has the licensee:				
	a) Included that delinquency information on the monthly activity reports required by NRS 645B.080?				N=Violation
	b) Mailed to each investor within the required time limit information relating to delinquencies and defaults?				N=Violation
	c) Complied with the provisions of this statute on a continuing basis until the delinquency is remedied or the loan is paid off?				N=Violation
<b>NRS 645B.300</b>	1. Unless specifically waived in writing by each investor in a loan, has the licensee obtained a written appraisal on the property securing the loan?				N=Violation
	2. Has the written appraisal:				
	a) Been performed by an appraiser authorized to perform appraisals in this state?				N=Violation
	b) Been performed by the licensee, only if the licensee is also a certified appraiser?				N=Violation
	3. Is a copy of the written appraisal:				
	a) Maintained at the licensee's office location?				N=Violation
	b) Made available for inspection by each investor and the Commissioner?				N=Violation

# STATUTORY COMPLIANCE QUESTIONNAIRE

<b>NRS 645B.310</b>	<p>If the licensee assigned all or part interest in a loan:</p> <p>1. Was a policy of title insurance on the property obtained?</p> <p>2. Was the assignment recorded in the county recorder's office in which the real property is located?</p>				
					N=Violation
					N=Violation
<b>NRS 645B.320</b>	<p>If the loan was funded pursuant to NRS 645B.175, has the licensee mailed a copy of the recorded deed of trust to every investor on the loan, not later than 3 business days after receiving the recorded copy?</p>				N=Violation
<b>NRS 645B.330</b>	<p>1. If the licensee has utilized a power of attorney, has the power of attorney:</p> <p>a) Been executed for the sole purpose of providing services for loans?</p> <p>b) Been approved by the Commissioner?</p> <p>c) Expressly prohibits the licensee from subordinating the priority of the recorded deed of trust unless written approval has been given by the investor?</p> <p>d) Expressly prohibits the licensee from using or releasing money with regard to a specific loan for a purpose other than providing services for the loan, unless written approval has been obtained from the investor?</p> <p>e) Expressly prohibits that the power of attorney is effective for no longer than 6 months, unless the licensee obtains written approval to extend it for another 6 months?</p>				N=Violation
					N=Violation
					N=Violation
					N=Violation
					N=Violation
<b>NRS 645B.460</b>	<p>Has the licensee:</p> <p>1. Taught his mortgage agents the fundamentals of mortgage lending and the ethics of the profession?</p> <p>2. Supervised the activities of his mortgage agents and the operation of his business?</p>				N=Violation
					N=Violation
<b>NRS 645B.620</b>	<p>Is the licensee conducting business in an unsafe and injurious manner or in violation of any of the provisions of NRS 645B?</p>				Y=Violation
<b>NRS 645B.630</b>	<p>Are the assets or capital of the licensee impaired?</p>				Y=Violation
<b>NRS 645B.670</b>	<p>1. Has the licensee:</p> <p>a) Knowingly made or caused to be made to the Commissioner any false representation of material fact?</p> <p>b) Suppressed or withheld any information which would have rendered him ineligible to be licensed?</p> <p>c) Violated any provision of this chapter, any regulation adopted pursuant to this chapter, or an order of the Commissioner while filing his application for a license or during the course of the investigation for this license.</p> <p>2. Do examination findings indicate that the licensee:</p> <p>a) Is insolvent?</p> <p>b) Grossly negligent or incompetent in performing any act for which he is required to be licensed?</p> <p>c) Is conducting his business not in accordance with the law or in violation of any provisions of this chapter?</p> <p>d) Is in such financial condition that he cannot continue in business with safety to his clients?</p> <p>e) Made a material misrepresentation in connection with any transaction governed by this chapter?</p> <p>f) Suppressed or withheld from a client any material facts, data or other information relating to any transaction governed by this chapter?</p>				Y=Violation
					Y=Violation
					Y=Violation
					Y=Violation
					Y=Violation
					Y=Violation
					Y=Violation
					Y=Violation

# STATUTORY COMPLIANCE QUESTIONNAIRE

<b>NRS 645B.670 Cont</b>	g) Knowingly made or caused to be made to the Commissioner any false representation of material fact?				Y=Violation
	h) Failed to account to persons interested for all money received for a trust account?				Y=Violation
	i) Refused to permit an examination or has refused or failed, within a reasonable time to furnish any information or make any report required by the Commissioner?				Y=Violation
	j) Refused or failed to pay, within a reasonable time, any fees, assessments, costs or expenses required pursuant to this chapter?				Y=Violation
	k) Failed to satisfy a claim which has been reduced to a judgment?				Y=Violation
	l) Failed to account for or remit any money of a client within a reasonable time after a request?				Y=Violation
	m) Commingle any money or other property of a client with his own or has converted the money or property of others to his own use?				Y=Violation
	n) Engaged in any other conduct constituting a deceitful, fraudulent or dishonest business practice?				Y=Violation
	o) Repeatedly violated the policies and procedures of a mortgage broker?				Y=Violation
	p) Failed to maintain adequate supervision of a mortgage agent?				Y=Violation
	q) Instructed a mortgage agent to commit an act that would be cause for revocation of the license of the mortgage broker?				Y=Violation
	r) Employed, or proposed to employ a mortgage agent, when it was known that the agent:				
	(1) Had been convicted of, or entered a plea of nolo contendere to, a felony or any crime involving fraud, misrepresentation or moral turpitude?				Y=Violation
	(2) Had a financial services license or registration suspended or revoked within the preceding 10 years?				Y=Violation
	s) Conducted verifiable business as a mortgage broker for 12 consecutive months, except in the case of a new licensee?				N=Violation